FLUX INSIGHTS

OVERNIGHT & SINGAPORE WINDOW

Market Highlighs from the Singapore Window

28 AUG 2025

FLAT PRICE

The Oct'25 Brent Futures contract fell to $67.47/bbl at 09:47 BST before rallying up to $67.75/bbl at 10:09 BST. Prices then jumped up to $67.86/bbl at 10:10 BST (time of writing). In the news, Volatility surged in China's crude and fuel oil futures this week after the US sanctioned two Chinese oil terminals, Yangshan Shengang in Zhejiang and Qingdao Dongjiakou in Shandong, for handling Iranian oil. Traders fear the sanctions could block physical deliveries for Shanghai Futures Exchange (SHFE) contracts. The uncertainty has driven up bunker fuel premiums at Shanghai and Zhoushan to nearly $30/ton over Singapore quotes. In other news, Saudi Arabia may lower October crude prices for Asia as ample supply and weaker demand weigh on the market, according to Reuters sources. Arab Light's official selling price (OSP) is expected to fall by 40–70 cents from September. Other grades (Arab Extra Light, Medium, and Heavy) could see similar drops of 40-60 cents. The move follows a 55-cent drop in cash Dubai premiums this month and comes after Aramco raised prices for August and September amid strong medium-sour structure and high summer demand. But those hikes dampened buying interest, prompting buyers in China and other Asian countries to switch to discounted Russian and US crude. A meaningful price cut is seen as necessary to revive demand, especially as OPEC+ increases output to recapture market share. Russian crude oil flows to Hungary and Slovakia via the Druzhba pipeline have resumed after a week-long outage caused by a Ukrainian strike on Russia's Unecha pumping station. Both countries had managed the disruption using reserves. Slovakia's economy minister confirmed the restart on Facebook and Hungarian oil company MOL also confirmed crude deliveries had resumed, though at reduced volumes. Finally, the front-month Oct/Nov spread is at $0.61/bbl and the 6-month Oct/Apr'26 spread is at $1.89/bbl.

CRUDE

This morning in Dated had more selling in the front with the 1-5 Sep 2w roll offered down to -$0.07/bbl and lifted by fund with the 8-12 Sep/Cal Sep offered at -$0.02/bbl. Two way interest on the 15-19 Sep/Cal Oct roll and selling out of back-end Sep into oct with the 22-26 Sep/Cal Oct trading $0.56/bbl and the 24-30 Sep/Cal Oct roll trading at $0.52/bbl. Good buying of oct rolls with the 6-10 Oct/Cal Oct trading at $0.18/bbl and bid over up to $0.19/bbl with spreads moving higher.

FUEL OIL

In VLSFO, front Sing spread was well offered at open, with Sep/Oct trading from $3/mt (yesterday's close) to $2.50/mt. As a result, front sing crack was pressured from $9.50/bbl to $9.20/bbl. During the window, we saw aggressive selling in the front sing crack, trading down to the lows of $8.9/bbl, which also caused the front spread to sell off down to $1.75/mt. Post window, front sing crack regained some strength, stabilising at $9/bbl. Front structure then saw mixed interests, with Sep/oct trading at $2/mt. In Euro, front crack trailed down from $4.65/mt to $4.40/bbl. Euro structure in the front was a touch better offered, with Sep/Oct at $5/mt.

In HSFO front 380 crack was sold into the window trading from -$4.80/bbl to -$4.90/bbl, as a result, front 380 E/W came off with selling down to $10.50/mt. 380 structure was also better offered in the window, which pressured Sep/Oct to sell off to $0.75/mt. Post window, interests on front 380 structure turned slightly bid with Sep/Oct trading at $1/mt. This supported the front crack and structure down the curve. Front 380 E/W also stabilised at $10.75/mt as the morning progressed. In 180, we saw aggressive buying in front VISCO, which caused Sep to rally to $14/mt. Front barge structure also gained strength post window, with Sep/Oct trading from $3.75/mt to $4/mt which supported the front crack at -$6.70/bbl.

DISTILLATES

This morning in distillates, Sing gasoil spread traded rangebound, Sep/Oct between $0.74/bbl and $0.75/bbl as Oct/Dec was bid at $1.85/bbl. The Sep E/W initially sold off to -$35.25/mt before rallying post-window to -$35.25/mt as the Q1 was bid at -$24.50/mt. The prompt regrade was sold down to lows of -$1.80/bbl before rallying to -$1.75/bbl post-window as the Q2 was sold down to -$0.75/bbl.

ICE gasoil spreads were rangebound for the morning, Sep/Dec trading at $25.25/mt as the Sep crack traded up to $23.00/bbl. European jet diffs softened down the curve, Sep trading at $42.00/mt as Q1 traded at $46.75/mt. Heating oil spreads rallied for the morning as the HOGOs traded rangebound, Sep at 13.7c/gal.

GASOLINE

This morning in gasoline flatprice traded end window at $77/bbl with MOC better bid. The east was strong again, opening at $10.15/bbl and strengthening to $10.30/bbl before coming off slightly. Spreads rallied from $1.65/bbl to $1.70/bbl in the front with refiners on the buyside, Sep E/W saw scaleback selling as it firmed from -$5.75/bbl to -$5.65/bbl. EBOB cracks traded up from $15.8/bbl to $16/bbl before softening, with Q2 bid at $12.6/bbl. Structure was slightly weaker, as Sep/Oct traded down from $40/mt to $39.5/mt.

NAPHTHA

This morning in naphtha, MOPJ flatprice traded at $589.5/mt with MOC better bid. MOPJ spreads were strong again, with Sep/Oct trading up from $5.25/mt to $5.5/mt and we saw flatprice buying. E/W rallied from $25.75/mt to $26.5/mt as NWE cracks remained stable at -$3.75/bbl in the front, with Q4 valued at -$3.80/bbl. Spreads were balanced, with the front remaining at $3.5/mt.

NGLS

This morning in NGLs, CP spreads are better bid with front flat price better offered whilst back flat price better bid, seeing Sep/Oct and Dec/Jan CP trading at -$12.75/mt and $2/mt respectively with June and Aug CP getting lifted by Chinese at $485/mt and $478/mt respectively. Q4 25 FEI/CP buying, trading up from $7/mt to $9/mt. In FEI, euro trade lifting Oct/Nov at -$5/mt with Dec/May FEI trading at $52/mt with the flat price better bid at end of window, seeing Sep FEI getting lifted on screen at $537/mt. Sep FEI/MOPJ trades at -$53/mt with Chinese lifting Oct FEI/MOPJ at -$41/mt, trading at -$40/mt post window. In Europe, Sep/Oct NWE trades down from -$4/mt to -$4.5/mt with Sep EW trading at $77/mt post window. Quiet morning for east arbs with LST/FEI trading at -$173/mt end of window.

GLOBAL MACRO

- Nvidia delivered another blockbuster quarter on the back of AI-server demand, with Q2 revenue 56% higher y/y at $46.7bn and beating estimates of $46.5bn. Despite the positive news the stock is down over 3% in the after-hours trading as investors were worried about the China overhang – NVIDIA assumes zero sales of its H20 AI chips to China – plus a guidance range that didn't smash the most bullish whispers and its sales growth looks to be on a decelerating path now.
- Nevertheless, NVIDIA still remains the most valued company in the world with a market cap of around $4.4 TRILLION and now the question is whether it can overtake the Nikkei Index's market cap of $5.6 trillion.
- In the EU, things aren't looking as positive, however, French risk flared after Prime Minister François Bayrou set a confidence vote for 8 September tied to sweeping budget cuts. With the three main opposition parties saying they won't back him, markets priced the risk of government collapse and tougher funding conditions. France's blue chip CAC 40 index fell over 2% to a three-week low. In rates, the 10-year OAT briefly hit 3.53%, and the OAT-Bund spread widened to 78 bps, the most since April.
- Meanwhile, the spread between French and Italian 10-year yields, which was around 150 bps two years ago, is now around 10 bps!
- The Euro is falling… We were talking about a strong Euro a couple of weeks ago but now we can see a clear positive relationship between a widening yield differential (Bund vs French bond) and a declining EUR/USD rate since the recent headlines
- Meanwhile, Credit risk picked up too: French banks' CDS pushed to recent highs as investors fretted that wider sovereign spreads could lift wholesale funding costs and squeeze margins. And the debt service ratio in the non-financial sector in France keeps rising, while other countries are experiencing a decline – higher debt service ratio means a higher proportion of your cash flow needed to cover your debt obligations.
- Finance minister Éric Lombard tried to steady nerves – saying he's "not resigned" to the government falling – but also warned that if France fails to fix its finances, IMF involvement could become a risk scenario!!!

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